

Message Text

LIMITED OFFICIAL USE

PAGE 01 STATE 078123

60

ORIGIN EA-10

INFO OCT-01 ISO-00 L-02 EB-07 COME-00 CIAE-00 INR-07

NSAE-00 FEA-01 INT-05 TRSE-00 /033 R

DRAFTED BY EA/IMS:ARDORNHEIM:ECINGRAHAM:CCH

APPROVED BY EA - MR. EDMOND

L/EA - MR. ROH

----- 026061

R 071828Z APR 75

FM SECSTATE WASHDC

TO AMEMBASSY JAKARTA

LIMITED OFFICIAL USE STATE 078123

E.O. 11652: N/A

TAGS: CPRS, BEXM, EINV, ETRD, ID

SUBJECT: P.T. BAUD CLAIM

1. DEPUTY ASSISTANT SECRETARY EDMOND AND DEPTOFFS MET WITH TWO ATTORNEYS FROM ROGERS' FIRM APRIL 3 FOR INFORMAL EXCHANGE ON P.T. BAUD CLAIM. THEY GAVE IMPRESSION THEY HAD NOT YET COMPLETED PREPARATION THEIR LEGAL OPINION. (THIS DIFFERS FROM ACCOUNT RELATED TO DEPTOFFS BY SULLIVAN, WHO HAS BEEN CLAIMING FOR PAST SEVERAL WEEKS THAT LEGAL OPINION WAS IN FINAL FORM NEEDING ONLY FEW LAST-MINUTE TOUCHES BEFORE DISTRIBUTION).

2. EDMOND TOLD LAWYERS THAT DEPARTMENT HAD NOT MADE EXHAUSTIVE ANALYSIS OF BAUD CLAIM AND HAD NO OPINION AS TO ITS MERITS. OUR INVOLVEMENT IN CASE TO DATE HAD BEEN DESIGNED TO ASSIST SULLIVAN TO CONTACT APPROPRIATE INDONESIAN AUTHORITIES AND TO URGE LATTER TO GIVE PROMPT CONSIDERATION TO THIS LAST MAJOR OUTSTANDING CLAIM AGAINST GOI STEMMING FROM SUKARNO PERIOD. WE HAD BECOME INCREASINGLY CONCERNED OVER CASE, HOWEVER, BECAUSE IT

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 STATE 078123

THREATENED TO HARM OUR RELATIONS WITH INDONESIA. OUR

EMBASSY IN JAKARTA HAD REPORTED INCREASING GOI RESENTMENT OVER TACTICS EMPLOYED BY SULLIVAN IN PURSUIT OF HIS CLAIM AND DETERMINATION NOT TO GIVE IN TO THEM. WHILE USG COULD

NOT UNDER INTERNATIONAL LAW FORMALLY ESPOUSE P.T. BAUD CLAIM UNTIL LOCAL LEGAL REMEDIES HAD BEEN EXHAUSTED, WE DID WISH TO SEE CASE SETTLED IN MANNER SATISFACTORY TO BOTH SIDES.

3. IN BRIEF DISCUSSION OF SEVERAL LEGAL AND FINANCIAL ASPECTS OF CASE, EDMOND EXPRESSED HOPE THAT LEGAL OPINION BEING PREPARED BY ROGERS FIRM WOULD ADDRESS ITSELF TO LEGAL POINTS MADE BY GOI AND WOULD AVOID RHETORIC THAT HAD MARKED SOME OF SULLIVAN'S EARLIER PRESENTATIONS. LAWYERS INDICATED THAT OPINION WOULD FOCUS ON SPECIFIC TOPICS RAISED BY GOI, INCLUDING METHOD OF EVALUATING PROPERTY.

4. EDMOND EMPHASIZED TO LAWYERS THAT WE STILL SAW CASE AS BEING IN STAGE OF BILATERAL NEGOTIATIONS BETWEEN THE TWO PARTIES AND THAT WE ASSUMED LEGAL OPINION UNDER PREPARATION WOULD BE USED TO PRESENT SEA OIL CASE TO GOI. IF SULLIVAN WERE PREPARED TO FOLLOW THIS COURSE, HE SAID, DEPARTMENT WOULD BE WILLING TO APPROACH GOI TO URGE PROMPT SERIOUS CONSIDERATION OF SEA OIL PRESENTATION. DEPARTMENT WOULD ALSO BE WILLING TO RECOMMEND THIRD-PARTY CONCILIATION OR ARBITRATION TO INDONESIANS, BUT ONLY IF SEA OIL AGREED.

5. IN FURTHER CONVERSATION, DEPTOFFS POINTED OUT THAT GOI RECORD IN SETTLING CLAIMS INHERITED FROM SUKARNO REGIME WAS A GOOD ONE AND THAT AMICABLE AGREEMENT HAD BEEN REACHED ON SETTLEMENTS TOTALING HUNDREDS OF MILLIONS. WHATEVER MERITS OF THE P.T. BAUD CASE, INDONESIANS CLEARLY CONSIDERED IT IN CATEGORY DISTINCT FROM THOSE ALREADY SETTLED. ALL INDICATIONS WERE THAT GOI WAS NOT MERELY STALLING ON CASE BUT HONESTLY BELIEVED ITS POSITION WAS LEGALLY VALID.

6. ATTORNEYS EXPRESSED APPRECIATION FOR THOUGHT THAT WAS LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 STATE 078123

BEING GIVEN TO CASE BY DEPT AND WOULD CONSIDER DEPT'S VIEWS WHEN FORMULATING THEIR RECOMMENDATIONS TO SULLIVAN. THEY REFRAINED FROM SUBSTANTIVE COMMENT ON PROPOSAL OUTLINED PARA FOUR ABOVE, ALTHOUGH ONE DID ECHO SULLIVAN'S EARLIER REMARK ON CONCILIATION/ARBITRATION BY EXPRESSING DOUBT THAT SEA OIL, AFTER WAITING SEVEN YEARS, WOULD BE PREPARED TO WAIT ANOTHER THREE YEARS THAT THIS MIGHT REQUIRE. INGERSOLL

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CLAIMS, LITIGATION
Control Number: n/a
Copy: SINGLE
Draft Date: 07 APR 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: CunninFX
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975STATE078123
Document Source: CORE
Document Unique ID: 00
Drafter: ARDORNHEIM:ECINGRAHAM:CCH
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750126-0511, D750120-0888
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750474/aaaacqgv.tel
Line Count: 115
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN EA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: CunninFX
Review Comment: n/a
Review Content Flags:
Review Date: 16 JUL 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <16 JUL 2003 by CunninFX>; APPROVED <14 NOV 2003 by CunninFX>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: P.T. BAUD CLAIM
TAGS: CPRS, BEXP, EINV, ETRD, ID, US, P T BAUD, SEA OIL & GENERAL CORP
To: JAKARTA
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006